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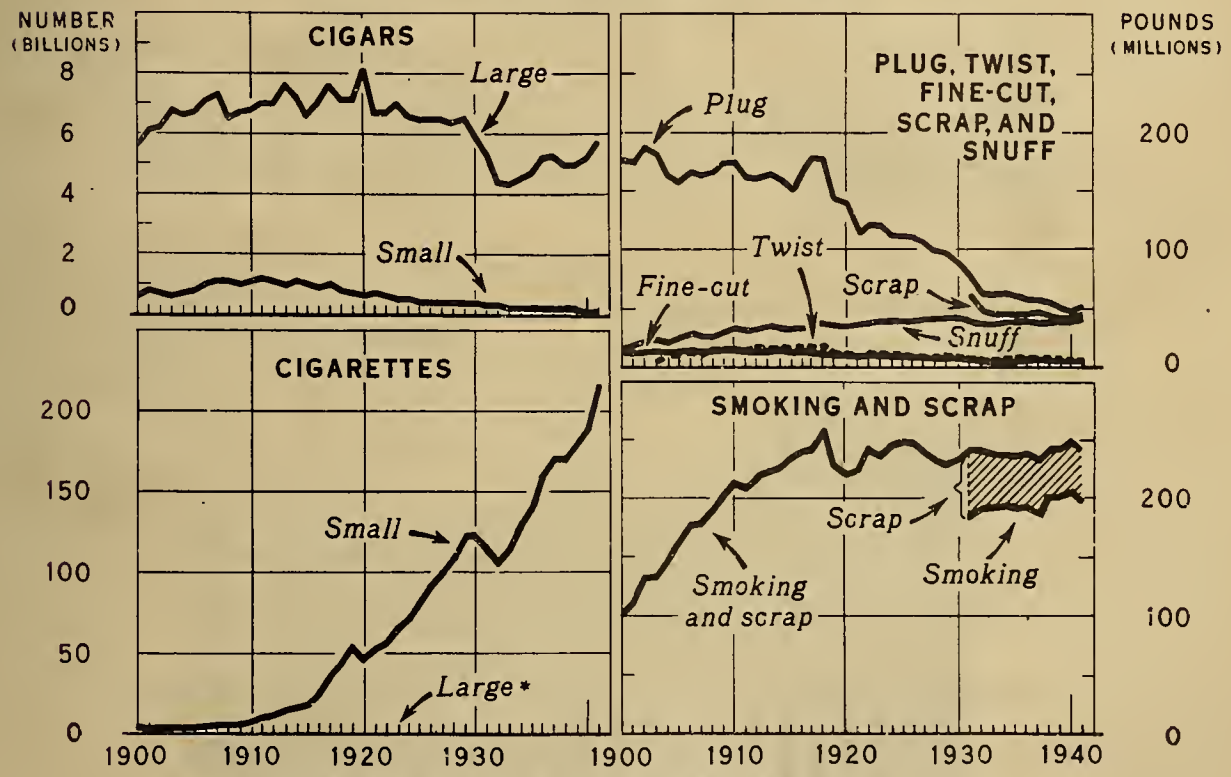
THE Tobacco SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

TS-24 BAE SEPTEMBER 1942

1943 OUTLOOK ISSUE

TOBACCO PRODUCTS: MANUFACTURES IN THE UNITED STATES, 1900-1941



DATA FROM ANNUAL REPORTS OF COMMISSIONER OF INTERNAL REVENUE

**LARGE CIGARETTES: 32 MILLIONS IN 1919, 2.8 MILLIONS IN 1933, 88.2 MILLIONS IN 1934, 2.5 MILLIONS IN 1936. THEY NEVER AMOUNTED TO ENOUGH TO SHOW ON SCALE WITH SMALL CIGARETTES.*

DATA FOR 1941 ARE ESTIMATED

U. S DEPARTMENT OF AGRICULTURE NEG. 32741 BUREAU OF AGRICULTURAL ECONOMICS

BETWEEN THE CALENDAR YEARS 1940 AND 1941 THE MANUFACTURE OF CIGARETTES SHOWED ONE OF THE SHARPEST RISES ON RECORD, AND FURTHER INCREASES ARE TAKING PLACE IN 1942. RISING CONSUMER INCOME AND THE INCREASED NUMBER OF MEN IN THE ARMED FORCES ARE THE CHIEF REASONS. THE MANUFACTURE OF SMOKING TOBACCO HAS DECLINED, BUT THAT OF SNUFF AND CHEWING TOBACCO HAS INCREASED. IT IS PROBABLE THAT FORMER PIPE SMOKERS ARE TURNING TO SOME EXTENT TOWARD CIGARETTES OR, IN INSTANCES WHERE CONDITIONS OF EMPLOYMENT DO NOT PERMIT SMOKING, TO SNUFF AND CHEWING TOBACCO. THE USE OF CIGARS, PARTICULARLY THE HIGHER PRICED CATEGORIES, IS INCREASING.

Burley Tobacco: Supply and Price in the United States, 1920-42

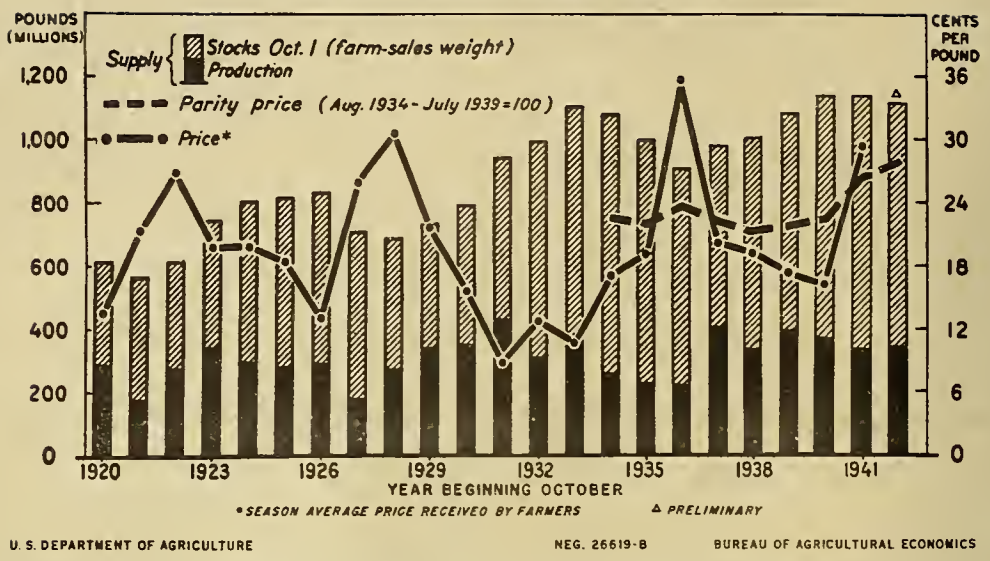


FIGURE 1.--- THE PROSPECTIVE SUPPLY OF BURLEY FOR 1942-43 IS SLIGHTLY SMALLER THAN THE SUPPLY FOR THE TWO PRECEDING YEARS. AN EVEN MORE IMPORTANT PRICE STRENGTHENING FACTOR IN THE OUTLOOK, HOWEVER, IS THE INCREASING DEMAND FOR CIGARETTES. THE USE OF BURLEY IN SMOKING TOBACCO IS EXPECTED TO DECLINE MODERATELY, BUT THIS WILL BE PARTLY OFFSET BY AN INCREASE IN ITS USE IN CHEWING TOBACCO. PRICES RECEIVED BY FARMERS FOR THE 1942 CROP PROBABLY WILL BE MODERATELY ABOVE THE HIGH LEVEL OF LAST SEASON.

CIGAR TOBACCO: SUPPLY AND PRICE IN THE UNITED STATES, 1920-42

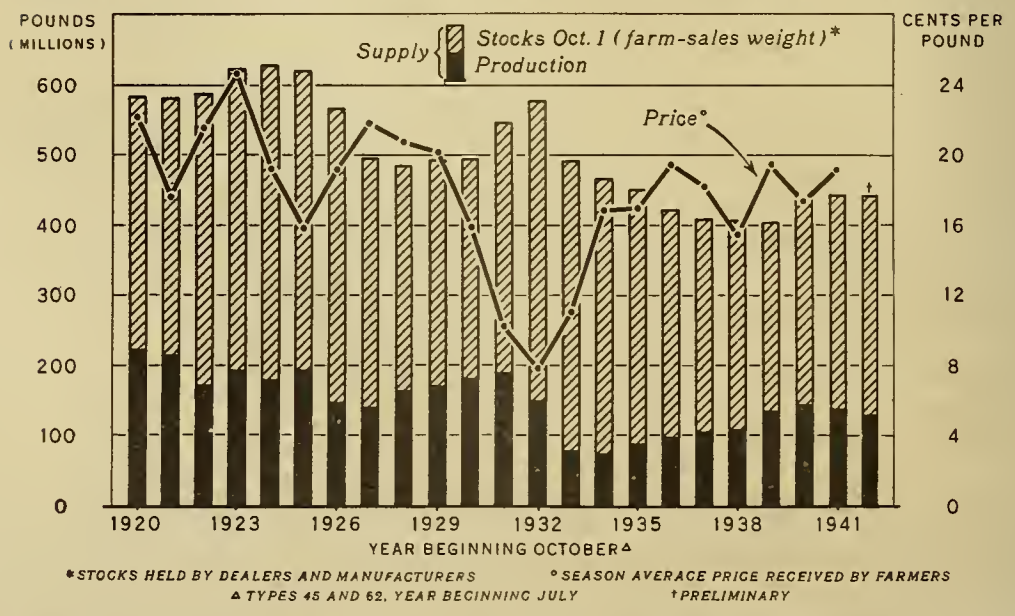


FIGURE 2.--- THE TOTAL SUPPLY OF CIGAR TOBACCO IN 1942-43 IS EXPECTED TO BE SMALLER THAN IN THE TWO PRECEDING YEARS. CIGAR CONSUMPTION IS INCREASING, HOWEVER, AND IMPORTS OF CIGARS FROM THE PHILIPPINE ISLANDS HAVE CEASED. SIZABLE STOCKS OF SUMATRA CIGAR LEAF SUITABLE FOR USE BY DOMESTIC MANUFACTURES ARE ON HAND IN THE UNITED STATES, BUT NO FURTHER IMPORTS WILL COME FROM THE EAST INDIES.

THE TOBACCO SITUATION

Summary

Prices for most types of the 1942 tobacco crop will be above the comparatively high levels of 1941. High prices and returns received by farmers this season will be a strong incentive to increased acreage and production in 1943. The consumption of tobacco products is increasing and stocks of most types will be smaller at the beginning of next season. High prices for the 1942 crop would lead to materially increased production by farmers if it were not for marketing quotas, the limited quantities of land and labor available, and the imperative need for increased production of important food and fiber crops.

The indicated production of all tobacco in 1942 is 1,369,661,000 pounds or 9 percent more than in 1941. Flue-cured production is placed at 762,760,000 compared with 659,542,000 pounds last year. Flue-cured disappearance in the crop year 1941-42 was the largest for several years due to a record high level of domestic consumption, chiefly in cigarettes. Lend-lease shipments also were substantial.

Prices for flue-cured leaf sold so far this season have averaged more than 36 cents per pound, the highest since 1919. A temporary price ceiling was placed on flue-cured leaf effective August 31. This regulation was replaced by a permanent order effective September 22. This price regulation will exercise an important restraining influence but prices are expected to continue strong during the remainder of the season.

-- September 29, 1942

FLUE-CURED, TYPES 11-14

Crop Larger, Prices and Returns Highest Since 1919

It is estimated that production of flue-cured tobacco in 1942 will amount to 762,760,000 pounds, an increase of more than 17 percent over 1941.

The increase in the size of the crop is the result both of a larger acreage and a higher yield per acre. The increase in production was especially pronounced for type 13, the 1942 crop of which is estimated to be nearly 158 million pounds as compared with less than 121 million last season.

With approximately two thirds of 1942 production already sold, it appears that the average price received by farmers will be about 36 cents per pound as compared with 28.1 cents last season. Prices are the highest since 1919 when the average was 44.4 cents. The increase this year in both production and price is expected to result in a return to farmers of about 275 million dollars, the largest on record.

Flue-cured tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940-42 1/

Year	Production	Stocks, July 1	Total supply	Disappearance, year beginning July	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average 1934-38	740.6	844.9	1,585.5	703.9	22.9
1940	759.9	1,409.7	2,169.6	576.7	16.4
1941 2/ .	649.5	1,592.9	2,242.4	3/ 782.4	28.1
1942	4/ 762.8	3/ 1,460.0	3/ 2,222.8		3/ 36.0

1/ Farm-sales-weight equivalent.
2/ Preliminary.
3/ Estimated.
4/ Indicated September 1.

Temporary Price Ceiling Effective August 31; Replaced by Permanent Order, September 22

Flue-cured leaf was brought under a temporary 60-day price ceiling in an emergency regulation issued by the Office of Price Administration effective August 31. The temporary regulation divided the 60 days into two periods, August 31 to September 29, inclusive, and September 30 to October 29, inclusive. According to this regulation, during each period the weighted average price per pound paid by each purchaser could not exceed the weighted average price paid by him during the base period, August 24 to 28. If a buyer made no purchases in the base period the average price paid by him during each of the two 30-day periods could not exceed the average market price from August 24 to 28, 34.86 cents. This ceiling did not apply to purchases made for the account of the Commodity Credit Corporation.

Effective September 22, a permanent order by the Office of Price Administration replaced the temporary regulation of August 31. While the main features of the original regulation were maintained, liberalizing features were added in order to permit growers in North Carolina and Virginia who had not yet marketed the bulk of their better grades, to benefit from a broader

buying support. The provisions of the permanent regulation also will allow manufacturers and dealers more flexibility in meeting their particular leaf requirements, and will alleviate certain hardships imposed by the specific restrictions of the temporary regulation.

In the first place, buyers may now average their purchases for the entire season (August 31, 1942 to February 28, 1943). Under this provision, purchasers will have more latitude in buying top grades at prices higher than ceiling levels by rounding out to the ceiling when they purchase the lower grades coming to market later in the season. Secondly, many small buyers not in the market on a broad scale during the base period and purchasing only the lower grades at that time were caught with low ceilings. Such buyers may now increase their ceilings for average purchases to 34.86 cents — the average price prevailing for flue-cured in the base period. Thirdly, instead of being required to have a ceiling of 34.86 cents, purchasers who were not in the market at all during the base period, may use as their ceiling either this figure or their individual 1941 season average plus 6.76 cents per pound. This constant of 6.76 cents represents the difference between the 1941 season average (28.1) and the base period average this year. This alternative will provide for the buyer who normally purchases only the better grades of tobacco and would find it difficult to obtain them if restricted to the base period market average. (For additional details, see "Maximum Price Regulation No. 228 - Flue-Cured Tobacco," Office of Price Administration 790.)

At the time the temporary regulation was issued, the Price Administrator stated that the price ceiling was made necessary by the danger of a run-away market. Unquestionably the price ceiling will prevent any such run-away, and will exert an important restraining influence on prices during the remainder of the season. However, wide latitude is permitted with respect to prices paid for individual grades or for total purchases made within relatively short periods of time. Prices in general for flue-cured leaf will continue strong during the remainder of the season.

Sales of Types 13 and 14 Completed; 11 and 12 Now Selling

Georgia-Florida markets for type 14 opened July 28 with all tobacco in good demand. At the close of the selling season on August 21, producers' sales totaled slightly less than 69 million pounds with an average price of 30.5 cents. This season's crop was nearly 7 million pounds larger than that of 1941, and sold at a price 50 percent higher per pound. This was the highest average price on record for type 14. Sharply increased prices prevailed for practically all grades, increases amounting to from 7 to 12-1/2 cents per pound for leaf, 6 cents for cutters, and from 4 to 13 cents for lugs and primings.

South Carolina and Border Belt (type 13) markets began sales on August 6, and most of the crop had been disposed of by the middle of September. Up to September 25, 198 million pounds had been sold at an average price of 37.4 cents. The large crop sold at unusually high prices will bring a record high return to growers of this type.

Eastern North Carolina Belt (type 12) markets opened August 25, with prices much above a year earlier. Total sales through September 25 amounted to 185 million pounds at an average of over 35 cents. The general level of prices for type 12 this season has been lower than normal relative to prices for the other flue-cured types, due to a below-average quality crop. Sales of Middle Belt (type 11b) leaf began on September 14, and sales in the Old Belt (type 11a) started September 22. Average prices in the Middle Belt for the first 2 weeks this season were above 38 cents per pound or nearly a third higher than in the corresponding period last season. First sales of Old Belt tobacco were made at an average price of 40 cents.

Sharpest Price Increases in Lower Grades

Common to fair qualities have shown much sharper price increases than have the upper grades. In many cases, the actual absolute increase in prices in terms of dollars per 100 pounds of tobacco were greater for qualities which in 1941 sold for from 8 to 15 dollars than for qualities selling for twice as much. In percentage terms, the price increase for most of the low and medium qualities is much greater than for the higher grades. This is particularly true of type 13 and type 12 tobacco. Representative prices by United States standard grades so far are available for only a small portion of the crops of types 11a and 11b. This tendency for lower qualities of leaf to rise in price relative to the higher grades represents the continuation of a trend that has been underway for several years. The tendency has been more pronounced, however, during the last two seasons.

Consumption of Tobacco Products, Particularly Cigarettes, Increasing; Lend-Lease Shipments of Flue-Cured Leaf Substantial

It is estimated that the unstemmed equivalent of tobacco used in the manufacture of tobacco products in 1941 amounted to more than 1 billion pounds, compared with 923 million in 1940 and 885 million in 1939. This is by far the largest consumption of tobacco on record in the United States, and a further increase is in evidence for 1942. Behind this high utilization are two factors which have been operating to increase the over-all consumption of tobacco. The first of these is a long time upward trend in the consumption of tobacco products, which during the last 25 years has advanced at a rate not much different from that for the increase in population. The demand for and consumption of tobacco products is also affected to an important degree by changes in consumer incomes. The depressions of 1921 and the early 1930's brought decreases in the utilization of tobacco products, while the 1920's as a whole and the last few years of rising consumer incomes have brought rapidly increasing tobacco consumption.

Changes in the buying power of consumers, however, affect the various tobacco products differently. In periods of rising incomes, the demand for cigarettes and cigars, particularly the former, expands while that for smoking tobacco shows little change or declines moderately as some consumers shift from pipe smoking and roll-your-own cigarettes to manufactured cigarettes and cigars. These changes have been particularly pronounced during the last 2 years.

Season average prices per 100 pounds of flue-cured tobacco, by grades, on representative markets, 1941-42

Type 12

U. S. standard grade 1/	Crop of - 1941	Crop of - 1942 2/	Change	U. S. standard grade 1/	Crop of - 1941	Crop of - 1942 2/	Change
	Dollars	Dollars	Percent		Dollars	Dollars	Percent
Leaf:				Lugs:			
B2L	43.00	47.00	+ 9.3	X1L	40.00	46.00	+ 15.0
B3L	42.00	46.00	+ 9.5	X1F	41.00	46.00	+ 12.2
B2F	42.00	47.00	+11.9	X2L	40.00	46.00	+ 15.0
B3F	40.00	46.00	+15.0	X2F	40.00	45.00	+ 12.5
B4L	39.00	45.00	+15.4	X3L	38.00	44.00	+ 15.8
B4F	37.00	44.00	+18.9	X3F	38.00	43.00	+ 13.2
B4R	31.00	40.00	+29.0	X3GL	26.00	35.00	+ 34.6
B4GL	31.00	38.00	+22.6	X3GF	25.00	30.00	+ 20.0
B4GF	29.00	35.00	+20.7	X4L	32.00	42.00	+ 31.2
B5L	35.00	43.00	+22.9	X4F	31.00	39.00	+ 25.8
B5F	31.00	40.00	+29.0	X4GL	20.00	29.00	+ 45.0
B5R	24.50	34.00	+38.8	X4GF	19.00	24.50	+ 28.9
B5GL	25.00	34.00	+36.0	X5L	22.50	34.00	+ 51.1
B5GF	22.50	30.00	+33.3	X5F	20.00	31.00	+ 55.0
B6L	27.00	37.00	+37.0	X5GF	12.25	16.00	+ 30.6
B6F	22.00	32.00	+45.5	Primings:			
B6R	16.00	25.00	+56.2	P1L	39.00	46.00	+ 17.9
B6GL	17.50	25.00	+42.9	P1F	39.00	46.00	+ 17.9
B6GF	14.50	21.50	+48.3	P2L	38.00	45.00	+ 18.4
				P2F	37.00	45.00	+ 21.6
Smoking leaf:				P3L	35.00	44.00	+ 25.7
H3F	41.00	46.00	+12.2	P3F	33.00	42.00	+ 27.3
H4F	39.00	45.00	+15.4	P3G	19.50	32.00	+ 64.1
H5F	35.00	42.00	+20.0	P4L	27.00	39.00	+ 44.4
H5R	32.00	39.00	+21.9	P4F	23.00	37.00	+ 60.9
H6F	27.00	36.00	+33.3	P4G	13.75	24.00	+ 74.5
H6R	21.00	31.00	+47.6	P5L	16.50	31.00	+ 87.9
Cutters:				P5F	13.25	27.00	+103.8
C2L	46.00	48.00	+ 4.3	P5G	8.25	18.00	+118.2
C3L	43.00	47.00	+ 9.3	Nondescript			
C3F	43.00	47.00	+ 9.3	N1G	8.25	11.00	+ 33.3
C4L	41.00	46.00	+12.2				
C4F	42.00	46.00	+ 9.5				
C5L	40.00	45.00	+12.5				
C5F	40.00	45.00	+12.5				

Continued -

Season average prices per 100 pounds of flue-cured tobacco, by grades, on representative markets, 1941-42 -Continued

Type 13

U. S. standard grade 1/	Crop of - 1941	Crop of - 1942 2/	Change	U. S. standard grade 1/	Crop of - 1941	Crop of - 1942 2/	Change
	Dollars	Dollars	Percent		Dollars	Dollars	Percent
				Lugs:			
Leaf:				X1L	38.00	45.00	+ 18.4
B2L	39.00	46.00	+ 17.9	X1F	38.00	45.00	+ 18.4
B3L	37.00	45.00	+ 21.6	X2L	37.00	44.00	+ 18.9
B3F	36.00	44.00	+ 22.2	X2F	36.00	44.00	+ 22.2
B3GL	24.00	36.00	+ 50.0	X3L	34.00	42.00	+ 23.5
B4L	34.00	43.00	+ 26.5	X3F	32.00	41.00	+ 28.1
B4F	31.00	40.00	+ 29.0	X3GL	20.50	32.00	+ 56.1
B4R	24.00	36.00	+ 50.0	X3GF	19.00	29.00	+ 52.6
B4GL	22.50	33.00	+ 46.7	X4L	26.00	39.00	+ 50.0
B4GF	20.00	31.00	+ 55.0	X4F	22.50	36.00	+ 60.0
B5L	28.00	38.00	+ 35.7	X4GL	14.25	24.50	+ 71.9
B5F	23.50	35.00	+ 48.9	X4GF	13.50	23.00	+ 70.4
B5R	17.00	30.00	+ 76.5	X5L	16.50	31.00	+ 87.9
B5GL	17.00	26.00	+ 52.9	X5F	13.25	27.00	+ 103.8
B5GF	15.50	24.00	+ 54.8	X5GL	9.50	19.50	+ 105.3
B6L	18.00	31.00	+ 72.2	X5GF	8.25	17.00	+ 106.1
B6F	14.00	26.00	+ 85.7	Primings:			
B6R	10.00	21.50	+ 115.0	P1L	37.00	44.00	+ 18.9
B6GL	11.25	18.00	+ 60.0	P1F	37.00	44.00	+ 18.9
B6GF	9.50	16.50	+ 73.7	P2L	36.00	43.00	+ 19.4
Smoking leaf:				P2F	35.00	43.00	+ 22.9
H2F	38.00	45.00	+ 18.4	P3L	33.00	42.00	+ 27.3
H3F	37.00	45.00	+ 21.6	P3F	29.00	40.00	+ 37.9
H4F	33.00	43.00	+ 30.3	P4L	25.00	37.00	+ 48.0
H5F	25.00	39.00	+ 56.0	P4F	21.00	35.00	+ 66.7
H5R	20.00	36.00	+ 80.0	P4G	12.00	26.00	+ 116.7
H6F	16.00	31.00	+ 93.8	P5L	14.25	28.00	+ 96.5
H6R	11.75	26.00	+ 121.3	P5F	10.50	25.00	+ 138.1
Cutters:				Nondescript:			
C3F	39.00	46.00	+ 17.9	N1G	6.00	10.00	+ 66.7
C2L	41.00	47.00	+ 14.6	N2G	4.25	5.75	+ 35.3
C3L	39.00	46.00	+ 17.9				
C4L	38.00	45.00	+ 18.4				
C4F	38.00	45.00	+ 18.4				
C5L	37.00	44.00	+ 18.9				
C5F	37.00	43.00	+ 16.2				

Continued -

Season average prices per 100 pounds of flue-cured tobacco, by grades, on representative markets, 1941-42 -Continued

Type 14

U. S. standard grade 1/	Crop of - 1941	Crop of - 1942	Change	U. S. standard grade 1/	Crop of - 1941	Crop of - 1942	Change
	Dollars	Dollars	Percent		Dollars	Dollars	Percent
Leaf:				Lugs, Contd.			
B2L	33.00	41.00	+ 24.2	X3L	30.00	37.00	+ 23.3
B3L	32.00	39.00	+ 21.9	X4L	23.50	35.00	+ 48.9
B4L	29.00	38.00	+ 31.0	X5L	15.00	28.00	+ 86.7
B5L	24.50	35.00	+ 42.9	X3LV	25.00	34.00	+ 36.0
B6L	15.50	29.00	+ 87.1	X4LV	21.50	30.00	+ 39.5
B3LV	29.00	36.00	+ 24.1	X1F	33.00	39.00	+ 18.2
B4LV	25.00	34.00	+ 36.0	X2F	32.00	38.00	+ 18.8
B5LV	21.00	31.00	+ 47.6	X3F	28.00	37.00	+ 32.1
B3F	30.00	38.00	+ 26.7	X4F	20.00	33.00	+ 65.0
B4F	26.00	36.00	+ 38.5	X5F	10.75	24.00	+123.3
B5F	19.50	32.00	+ 64.1	X3FV	23.50	33.00	+ 40.4
B6F	11.75	23.50	+100.0	X4FV	18.50	29.00	+ 56.8
B4FV	22.00	33.00	+ 50.0	X3FK	23.00	32.00	+ 39.1
B5FV	16.50	28.00	+ 69.7	X4FK	14.25	29.00	+103.5
B4Fk	19.00	31.00	+ 63.2	X3GL	20.50	29.00	+ 41.5
B5Fk	15.50	28.00	+ 80.6	X4GL	15.00	25.00	+ 66.7
B5R	12.50	24.00	+ 92.0	X5GL	9.25	20.00	+116.2
B6R	7.75	17.50	+125.8	X3GF	21.00	29.00	+ 38.1
B4GL	21.00	31.00	+ 47.6	X4GF	12.50	24.00	+ 92.0
B5GL	15.50	26.00	+ 67.7	X5GF	8.50	18.50	+117.6
B6GL	10.00	19.50	+ 95.0	Primings:			
B4GF	19.00	28.00	+ 47.4	P1L	34.00	38.00	+ 11.8
B5GF	13.50	24.00	+ 77.8	P2L	32.00	37.00	+ 15.6
B6GF	8.00	17.00	+112.5	P3L	29.00	36.00	+ 24.1
Smoking leaf:				P4L	22.00	32.00	+ 45.5
H3F	32.00	39.00	+ 21.9	P5L	12.50	23.50	+ 88.0
H4F	29.00	38.00	+ 31.0	P1F	34.00	38.00	+ 11.8
H5F	21.50	36.00	+ 67.4	P2F	32.00	37.00	+ 15.6
H6F	13.25	30.00	+126.4	P3F	27.00	36.00	+ 33.3
H6R	9.50	24.50	+157.9	P4F	18.00	31.00	+ 72.2
Cutters:				P5F	9.50	21.00	+121.1
C3L	35.00	41.00	+ 17.1	P3G	21.00	30.00	+ 42.9
C4L	34.00	40.00	+ 17.6	P4G	12.75	24.00	+ 88.2
C5L	33.00	39.00	+ 18.2	P5G	7.00	17.00	+142.9
C4LV				Nondescript:			
C5LV	30.00	36.00	+ 20.0	N1L	5.25	12.25	+133.3
C4F	33.00	39.00	+ 18.2	N2L	3.25	6.50	+100.0
C5F	32.00	38.00	+ 18.8	N1R	5.50	11.25	+104.5
C5FV				N2R	3.75	6.50	+ 73.3
Lugs:				N1G	5.00	9.50	+ 90.0
X1L	34.00	39.00	+ 14.7	N2G	3.50	5.25	+ 50.0
X2L	33.00	38.00	+ 15.2				

1/ Key to standard grade marks for flue-cured tobacco:

Group	Quality	Color	Special Factor
A - Wrappers	1 - Choice	L - Lemon	G - Green
B - Leaf	2 - Fine	F - Orange	(L) Lemon side
H - Smoking Leaf	3 - Good	R - Red	(F) Orange side
C - Cutters	4 - Fair	D - Dark Red	(R) Red side
X - Lugs	5 - Low		V - Greenish
P - Primings	6 - Common		M - Mixed
N - Nondescript			K - Variegated
			W - Unsafe order
			U - Unsound

2/ Season through September 17, 1942.

Compiled from Market News Reports of the A.M.A.

It is estimated that the number of small cigarettes manufactured increased to approximately 216 billion in the calendar year 1941. This would be a rise of 14 percent over 1940. Cigarette consumption as indicated by tax-paid withdrawals in the first 7 months of 1942 was 11.1 percent larger than in the corresponding period a year earlier. The actual increase as between this year and last year in the manufacture of cigarettes for consumption will be greater than is indicated by tax-paid withdrawals, due to the increasing manufacture of tax-free cigarettes for use by men in the armed services outside of the United States. Smoking tobacco decreased as compared with a year earlier, but cigars, plug-chewing and snuff showed moderate increases. These tendencies are continuing in 1942. Recent rises in the utilization of chewing tobacco and snuff are believed to stem from the employment of an increased number of workers under conditions which do not permit smoking. Significant quantities of flue-cured are used in the manufacture of smoking tobacco, smaller amounts in plug-chewing. The most important factor affecting the current and prospective demand for this kind of tobacco, however, is the increasing consumption of cigarettes. Domestic utilization of flue-cured leaf during the last year was much greater than in any corresponding period on record.

Lend-lease shipments of flue-cured tobacco are continuing in considerable volume. Between April 1, 1941 (when lend-lease was applied to tobacco) and September 11, 1942, nearly 230 million pounds of flue-cured leaf were shipped or delivered for shipment. Converted to a farm sales weight basis these shipments would amount to nearly 260 million pounds. In terms of reported weight, 136 million pounds were from the 1939 crop, 83 million pounds from the 1940 crop, and 10 million pounds from the 1941 crop. Almost all of the tobacco acquired by the Commodity Credit Corporation from the 1939 crop, nearly one half of acquisitions from the 1940 production, and about one tenth of those from the 1941 crop have been shipped under lend-lease arrangements.

Further Increases in Demand and Consumption Anticipated for the Near Future

Disappearance of flue-cured tobacco in the 1941-42 marketing year totaled more than 782 million pounds, or nearly as much as the record disappearances of 1937 and 1938 when exports were at a high level. This has been due to the unprecedentedly large domestic consumption of cigarettes, and to the fact that lend-lease shipments have amounted to approximately 250 million pounds.

A 10 percent increase in the manufacture of cigarettes in the United States in 1942-43 over 1941-42 would tend to increase correspondingly the utilization of flue-cured leaf. It is expected that acquisitions by the Commodity Credit Corporation from the 1942 crop will exceed 200 million pounds. With substantial quantities of 1940 and 1941 tobacco still on hand, lend-lease shipments in 1942-43 may be about the same as those in the preceding year if shipping facilities are available. Exports on a regular commercial basis will continue very small. If these prospects for domestic use and lend-lease materialize, the disappearance of flue-cured tobacco in 1942-43 would exceed the 1941 crop, perhaps set a record high, and result in a lower level of stocks on July 1, 1943. After allowing for Commodity Credit holdings, such stocks

would still be large in comparison with average carry-over in the past, but would be smaller in relation to consumption than on the average in recent years.

With present prices for flue-cured leaf, growers will have an incentive to increase acreage and production next season. Notwithstanding probable difficulties greater than those encountered this year in obtaining necessary supplies of labor, fertilizer, and transportation facilities, a 1943 crop of flue-cured tobacco larger than that of 1942 probably could be grown and sold at profitable prices. In appraising the desirability of such increases, however, consideration must be given to the necessity of producing other crops.

Long-Time Outlook for Foreign Markets Uncertain

Although it appears likely that lend-lease shipments will continue in substantial volume and that a sharp increase in foreign demand for United States flue-cured leaf may follow immediately after the present war, it is possible that exports may tend to decline over a longer period of time. The United Kingdom has always been the principal foreign purchaser of our flue-cured leaf. But in recent years, increases in import taxes have tended to restrict the use of United States tobacco.

Of even greater importance in the restricted use of United States tobacco are the following wartime factors: (1) After September 1939, exchange was not available for the purchase of United States tobacco; (2) manufacturers have been compelled to use Oriental tobacco produced in Greece and Turkey; (3) during the war period as a whole, shipping facilities for the moving of leaf grown in the British Empire have been relatively more favorable than those for moving available supplies of United States leaf offered under the lend-lease program; (4) the Government has restricted the withdrawals of foreign leaf (principally United States tobacco) during 1942-43 to 90 percent of the amounts withdrawn during the year ended March 31, 1940, though permitting withdrawals of Empire leaf in 1942-43 up to 172 percent of those during the base year; and (5) the admixture of Empire leaf in tobacco products manufactured in the United Kingdom has been made compulsory.

The substitution of other tobaccos for United States leaf in the British market under war conditions sets in motion forces which will be difficult to reverse at the close of the war. On the side of demand and consumption, consumers who become accustomed to wartime blends which use largely Empire leaf will tend to prefer these mixtures in the post-war period. On the cide of supply, once the production of an agricultural commodity has been considerably expanded, as in the case of flue-cured tobacco in Empire countries, a contraction of output to former levels is difficult.

The consumption of cigarettes made from flue-cured tobacco was increasing in the various countries of the Far East, particularly in China, during the years preceding the outbreak of Japanese-Chinese hostilities. An even more rapid increase was occurring in the production of flue-cured leaf. It is believed that possibilities exist for further rises in output after the return of peace.

BURLEY TYPE 31

Prospective Supply About The Same as Last Season

The September 1 indication is for a burley crop of about 342 million pounds, a slight increase over 1941 production, but stocks on October 1 probably will be smaller than on the corresponding date last year. The indicated yield per acre of 959 pounds was smaller than that of 1941, and the record high of 1940, but is well above the 1935-39 average of 838 pounds. Practically all of the early planting has been harvested and prospects are for a crop of comparatively good quality.

Burley tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940-42 1/

Year	Production	Stocks, Oct. 1	Total supply	Disappearance, year beginning Oct.	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average 1934-38	286.9	700.9	987.8	314.2	22.2
1940	375.3	762.3	1,137.6	339.5	16.2
1941 2/ .	338.1	798.1	1,136.2	366.2	29.3
1942	4/ 341.8	3/ 770.0	3/ 1,111.8		

1/ Farm-sales-weight equivalent.
2/ Preliminary.
3/ Estimated.
4/ Indicated September 1.

Demand and Consumption Increasing; Prices for 1942 Crop Will Be Higher

It is expected that the disappearance of Burley tobacco in the 12 months October 1, 1941-September 30, 1942 will amount to nearly 370 million pounds, or 25 to 30 million pounds in excess of the 1942 crop. If consumption continues to rise, stocks at the beginning of the 1943-44 season will be the smallest in several years, and will be below average in relation to consumption.

Although the proportion of total Burley disappearance accounted for by cigarettes is somewhat smaller than with respect to that part of the flue-cured crop which is consumed domestically, very little Burley is exported, and cigarettes probably provide an outlet for more than 60 percent of the entire Burley production. The upward trend in the manufacture of cigarettes, therefore, will strengthen demand for Burley leaf this season. The demand for leaf to be used in plug chewing tobacco also is expected to rise moderately. The prospect of a further small decrease in the utilization of smoking tobacco will affect Burley more than any other type, but will be much more

than offset by the increase in cigarettes. Prices reviewed for the 1942 crop will be above last season's high average of 29.3 cents.

As in the case of flue-cured, a 1943 Burley crop larger than that of 1942 probably could be produced and sold at profitable prices. In fact, unless production is increased, stocks within the next year or two will be reduced to the point where the maintenance of a reasonable uniformity of blends in tobacco products will be extremely difficult. But the production of Burley tobacco next year will be conditioned by the pressing need for agricultural land and labor in the production of wartime food and fiber. Specifically, the war effort requires an increased production of hemp, for which some Burley producing areas of Kentucky are especially well adapted.

MARYLAND, TYPE 32

The 1942 production of Maryland tobacco as indicated on September 1 is 32,200,000 pounds, compared with a 1941 crop of 30,200,000. It is estimated that stocks on January 1 will be about 3 million pounds below those of a year earlier. The indicated disappearance for the calendar year 1942 is slightly larger than 1942 production, and is the largest disappearance of Maryland leaf on record. Although exports of this type have been almost completely eliminated by the war, since its use in the domestic market has been mainly in the manufacture of cigarettes, demand has increased accordingly. Some months ago the feeling was widespread that Maryland leaf would soon experience a marked increase in demand as a substitute for imported Oriental tobacco. So far this does not seem to have materialized.

Auction markets began selling the 1941 crop on May 3, 1942, and closed for the season on September 11. Sales on these markets have been in excess of 27 million pounds. Total sales on auction floors and on the Baltimore market up to early September amounted to approximately 31-1/2 million pounds at an average price of between 30 and 31 cents, compared with a 33 cent average for the 1940 crop sold last season. The latter was the highest price on record for Maryland leaf.

Prices for the current crop probably will be as high and perhaps higher than those received for 1940 and 1941 production. The exceptionally large returns to farmers in the last 2 seasons offer an incentive to increased plantings in 1943. The proximity of the Maryland district to centers of industrial activity makes labor increasingly difficult to obtain, however, and it is doubtful whether growers will be able to harvest an acreage as large as that of 1942.

Maryland tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940-42 1/

Year	Production	Stocks, Jan. of following year	Total supply	Disappearance, following calendar year	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average 1934-38	27.5	38.4	65.9	27.5	19.7
1940	32.6	43.2	75.8	30.8	33.0
1941 2/	30.2	45.0	75.2	3/ 33.2	31.0
1942	4/ 32.2	3/ 42.0	3/ 74.2		

1/ Farm-sales-weight equivalent. 2/ Preliminary. 3/ Estimated.
4/ Indicated September 1.

FIRE-CURED AND DARK AIR-CURED TOBACCOS, TYPES 21-24 AND 35-37

Supplies of Dark Leaf Reduced Further

Based on indications of September 1, production of all dark tobaccos is estimated to be 101,900,000 pounds, compared with 104,700,000 in 1941. Stocks on October 1 also are expected to be reduced as compared with a year earlier. The smaller production in the case of both fire-cured and dark air-cured is due to a decline in yields per acre. Stocks of dark tobaccos as a whole on October 1 are expected to be slightly smaller than on the corresponding date a year earlier. This decline in stocks is entirely due to sharply reduced holdings of dark air-cured types, as stocks of fire-cured are expected to be a little larger than at the beginning of last season.

Supplies Now in Line With Reduced Demand; Higher Prices Probable for 1942 Production

The demand for and consumption of dark leaf has been decreasing for many years. This has been mainly due to a shrinkage in export markets, although reduced domestic consumption has been of some importance. In the years immediately preceding the outbreak of World War II, an average of about 70 million pounds of dark tobacco (including rehandled tobacco) were exported annually. This was between one third and one half the volume of exports in the early 1920's. The domestic demand for fire-cured leaf has been comparatively well maintained due to the stability of snuff consumption. Dark air-cured, however, used principally in the manufacture of plug chewing, fine cut, and twist has had its demand drastically curtailed due to declining popularity of these products. Following the outbreak of war, the stoppage of trade with countries of continental Europe cut off most of the remaining exports of fire-cured and dark air-cured leaf.

Dark tobaccos: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940-42 1/

Year	Production	Stocks Oct. 1	Total supply	Disappearance, year beginning Oct.	Average price per pound
	TOTAL ALL DARK TOBACCOS				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Fire-cured, types 21-24, and dark air-cured, types 35-37	145.				
Average 1934-38	145.2	257.0	402.2	161.4	10.0
1940	150.1	207.2	357.3	99.0	9.0
1941 2/	104.7	258.3	363.0	3/ 110.3	13.4
1942	4/ 101.9	3/ 252.7	3/ 354.6		
	FIRE-CURED				
Total, types 21-24					
Average 1934-38	110.0	194.2	304.2	122.7	10.2
1940	107.6	141.6	249.2	65.3	9.5
1941 2/	73.1	183.9	257.0	3/ 71.0	14.0
1942	4/ 71.8	3/ 186.0	3/ 257.8		
	DARK AIR-CURED				
Total, types 35-37					
Average 1934-38	35.2	62.8	98.0	38.7	9.4
1940	42.5	65.6	108.1	33.7	7.7
1941 2/	31.6	74.4	106.0	3/ 40.2	12.0
1942	4/ 30.1	3/ 65.8	3/ 95.9		
One Sucker, type 35					
Average 1934-38	16.6	30.8	47.4	17.8	8.9
1940	21.9	31.9	53.8	18.1	7.5
1941 2/	15.8	35.7	51.5	3/ 19.4	11.4
1942	4/ 15.1	3/ 32.1	3/ 47.2		
Green River, type 36					
Average 1934-38	15.9	29.3	45.2	18.3	9.7
1940	17.5	30.1	47.6	12.6	7.6
1941 2/	13.6	35.0	48.6	3/ 17.5	11.7
1942	4/ 12.6	3/ 31.1	3/ 43.7		
Va. sun-cured, type 37					
Average 1934-38	2.7	2.7	5.4	2.6	11.5
1940	3.1	3.6	6.7	3.0	9.3
1941 2/	2.2	3.7	5.9	3/ 3.2	17.9
1942	4/ 2.4	3/ 2.7	3/ 5.1		

1/ Farm-sales-weight equivalent.
2/ Preliminary.
3/ Estimated.
4/ Indicated September 1.

In order to help farmers meet the impact of shrinking markets and declining prices, governmental programs have aided in severely curtailing production, and loans have been made on dark tobacco handled by tobacco cooperative marketing associations. In several seasons, burdensome stocks of leaf held by these associations were disposed of through byproduct diversion programs. Up until the last year, these diversion operations were almost entirely for the purpose of supporting growers' prices and incomes through the reduction of large stocks hanging over the market. Beginning this last season, however, the cutting off of foreign sources of supply of important insecticides and fungicides made the increased production of nicotine sulphate extremely important. In order to achieve this purpose, byproduct diversion was begun on an expanded scale, and absorbed approximately 14 million pounds of dark leaf (chiefly type 36) during 1941-42. Byproduct diversion is expected to absorb considerable quantities of tobacco in 1942-43.

The low level of production of fire-cured and dark air-cured tobacco during the last two seasons and the partial replacement of export outlets by byproduct diversion have combined to bring supplies and requirements more nearly into balance than at any time in the recent past. The demand for fire-cured also will be strengthened by the rise in snuff consumption. And the current reversal of the previous downward trend in the utilization of plug chewing should benefit the dark air-cured types. Prices in general are expected to be higher this season than last.

Prospective demand conditions make it appear likely that somewhat larger crops of dark tobacco could be sold at profitable prices in 1943-44. However, labor, fertilizer and transportation facilities will be difficult to obtain, and in some sections sizable areas of tobacco land have been removed from cultivation due to the occupation of land by industrial and military establishments.

CIGAR TOBACCOS, TYPES 41-62

Supply Smaller

Indications are that the total supply of continental United States types of cigar tobaccos for the season beginning October 1 will be about the same as last year, but cigars and cigar leaf obtained from overseas probably will be considerably smaller.

Production of continental types indicated as of September 1 is 131,100,000 pounds, compared with 138,800,000 in 1941. Total supply, however, is expected to be about the same due to slightly larger stocks.

Holdings of foreign grown cigar leaf in the United States on July 1 amounting to 19,500,000 pounds were but little below those of a year earlier. In this category, stocks of Cuban and Sumatra tobacco were larger, but Philippine stocks were sharply lower. Sumatra tobacco held by dealers and manufacturers, plus holdings of the Netherlands East Indies Produce Corporation which are suitable for use in domestic cigars, appear to be sufficient to meet requirements for an extended period. Japanese occupation of East Indies areas further affects the tobacco situation in the United States through cutting off imports of cigars from the Philippines. Such imports in recent years have

accounted for about 3 percent of total United States cigar consumption. It is expected that overseas sources of cigar tobacco will be further curtailed during the next year due to the scarcity of shipping space for bringing Puerto Rican leaf to this country. The crop of Puerto Rican tobacco harvested last spring is estimated to have been larger than that of the preceding season. The impossibility of moving normal quantities of the crop to the United States will not only reduce tobacco available to manufacturers in the immediate future, but may have an important adverse effect upon the planting of the new crop.

Cigar Consumption Increasing

It is estimated that large cigars manufactured in the United States in the calendar year 1941 numbered about 5,700 million, compared with 5,200 million in 1940 and an average of approximately 5 million in the last 10 years. Tax-paid withdrawals in the 12 months July 1941 to June 1942 amounted to 6,103 million - nearly 7 percent more than in the preceding 12 months. Cigar consumption responds to changes in consumer incomes; and some additional increase in the demand for cigars is expected in the next year.

Prices for the major types of 1942 crop cigar leaf will be significantly higher than in 1941. Considerably increased acreages, particularly of binder and filler types - excluding Pennsylvania Seedleaf - seem justified on the basis of prospective demand and supply conditions. Shortages of hired labor, however, will be an important limiting factor in most districts, particularly in highly specialized areas such as the Connecticut Valley. Binder and filler types, produced principally in general farming areas, will meet intense competition from other farm enterprises for available land and labor.

Cigar tobaccos: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940-42 1/

Type and year	Production	Stocks Oct. 1 2/	Total supply	Disappearance year beginning Oct.	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Total filler, types 41-45 -					
Average 1934-38	44.6	159.9	204.5	50.0	10.4
1940	68.3	151.0	219.3	60.6	12.0
1941 3/	67.1	158.7	225.8	4/ 61.2	12.4
1942	5/ 62.8	4/ 164.6	4/ 227.4		
Total binder, types 51-55 -					
Average 1934-38	41.4	165.1	206.5	60.0	12.5
1940	66.2	134.9	201.1	66.1	14.6
1941 3/	61.6	135.0	196.6	4/ 60.6	17.0
1942	5/ 58.5	4/ 136.0	4/ 194.5		
Total wrapper, types 61-62 -					
Average 1934-38	8.4	10.7	19.1	8.9	78.3
1940	9.5	12.9	22.4	10.7	75.8
1941 3/	10.1	11.7	21.8	4/ 10.3	77.7
1942	5/ 9.8	4/ 11.5	4/ 21.3		

1/ Farm-sales weight. 2/ Stocks held on farms not included; stocks for types 45 and 62 are as of July 1. 3/ Preliminary. 4/ Estimated. 5/ Indicated September 1.

GENERAL STATISTICAL DATA

Index numbers of production of tobacco products in the United States, both unadjusted and adjusted for seasonal variation, January 1941-July 1942

(1935-39 = 100)

Year and month	Cigarettes		Cigars		Manufactured tobacco and snuff		Total tobacco products	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
1941								
Jan.	119	118	90	111	98	101	108	113
Feb.	118	125	96	110	95	96	108	116
Mar.	119	127	100	109	99	97	110	117
Apr.	118	127	111	117	100	101	113	120
May	133	131	108	109	100	100	121	119
June	144	131	113	106	99	97	128	118
July	138	123	111	106	99	97	123	114
Aug.	136	129	113	109	96	96	122	118
Sept.	146	137	120	104	107	99	132	121
Oct.	141	144	135	112	106	104	133	128
Nov.	143	149	137	115	105	106	134	132
Dec.	121	136	107	139	83	95	110	129
Year	1/ 131		1/ 112		1/ 99		1/ 120	
1942								
Jan.	146	144	104	129	96	99	126	132
Feb.	136	144	109	126	92	93	121	130
Mar.	127	137	111	121	96	94	117	125
Apr.	130	140	114	120	96	97	119	127
May	142	140	107	108	89	89	123	122
June	150	136	120	112	96	94	132	122
July	153	136	113	109	91	89	131	121
Aug.								

Compiled from monthly Federal Reserve Bulletin.
1/ Preliminary.

Production of manufactured tobacco in the United States July-June 1940-41, and June 1941-42

Manufactured tobacco	Year beginning July			June		
	1940	1941	Change	1941	1942	Change
	1,000 pounds	1,000 pounds	Percent	1,000 pounds	1,000 pounds	Percent
Smoking	205,264	186,832	- 9.0	16,288	14,912	- 8.4
Plug	49,328	51,296	+ 4.0	4,229	4,878	+ 15.3
Twist	5,613	5,849	+ 4.2	478	522	+ 9.2
Fine-cut	4,973	5,191	+ 4.4	441	481	+ 9.1
Scrap chewing	43,326	45,544	+ 5.1	3,910	4,047	+ 3.5

Total lend-lease shipments of tobacco from the United States, by crops and classes, to September 11, 1942 1/

Crop	Lend-lease shipments 2/	
	Hogsheads	1,000 pounds
Crop of 1939 -		
Flue-cured 3/	152,712	135,986
Dark types	2,382	2,198
Crop of 1940 -		
Flue-cured	93,191	83,312
Dark types	268	251
Crop of 1941 -		
Flue-cured	11,515	10,176
Dark types	923	818
Total, 1939-41	260,991	232,741
Flue-cured	257,418	229,474
Dark types	3,573	3,267

Compiled from official records of the Commodity Credit Corporation.
1/ Shipments of tobacco under lend-lease arrangements began in April 1941.
2/ Net packed weight or storage order. To convert poundage to an approximate farm-sales-weight equivalent, increase flue-cured poundage by 12 percent and the dark types by 15 percent.
3/ Includes 36 hogsheads of 35,969 pounds of the 1939 crop purchased in 1941.

Tax-paid withdrawals of tobacco products in the United States, July-June 1940-41, and July-August 1941-42 1/

Products	Year beginning July			July-August		
	1940	1941	Change	1941	1942	Change
	Millions	Millions	Percent	Millions	Millions	Percent
Small cigarettes	189,771	216,905	+14.3	36,181	41,816	+15.6
Large cigarettes	2	2	2/+32.1	3/	3/	+ 8.7
Large cigars	5,708	6,103	+ 6.9	1,020	1,002	- 1.8
Small cigars	152	139	- 8.6	21	22	+ 4.8
Snuff 4/	38,332	41,320	+ 7.8	6,560	5,960	- 9.1
Manufactured tobacco 4/	305,083	289,648	- 5.1	49,736	46,382	- 6.7

1/ Tax-paid withdrawals include products from Philippine Islands, Puerto Rico. After January 1942 tax-paid withdrawals from the Philippine Islands are not included.
2/ Based on actual, not rounded figures.
3/ Less than 500,000; percentage change calculated on actual figure.
4/ Thousand pounds.

Acreage and production of tobacco in the United States, by types, 1941 and 1942

Type	Acreage 1941 1/	Acreage 1942 2/	Acreage Change	Production 1941 1/	Production 1942 2/	Production Change
	1,000 acres	1,000 acres	Percent	Million pounds	Million pounds	Percent
Total flue-cured, types 11-14	717.6	796.2	11.0	649.5	762.8	+17.4
Old and Middle Belt, type 11	266.0	298.0	12.0	225.4	271.4	+20.4
Eastern North Carolina, type 12	242.0	266.0	9.9	240.8	262.0	+ 8.8
South Carolina, type 13	134.0	148.0	10.4	120.5	157.8	+31.0
Georgia and Florida, type 14	75.6	84.2	11.4	62.8	71.6	+14.0
Total fire-cured, types 21-24	77.1	78.0	1.2	73.1	71.8	- 1.8
Virginia, type 21	13.7	14.2	3.6	11.8	12.5	+ 5.9
Ky. and Tenn., type 22	44.5	44.5	0	43.3	41.8	- 3.5
Ky. and Tenn., type 23	18.7	19.1	2.1	17.8	17.3	- 2.8
Henderson, type 24	.2	.2	3/ 0	.2	.2	3/ - 2.8
Burley, type 31	342.8	356.4	4.0	338.1	341.8	+ 1.1
Maryland, type 32	40.3	41.5	3.0	30.2	32.2	+ 6.6
Total dark air-cured, types 35-37	32.8	33.0	.6	31.6	30.1	- 4.7
One Sucker, type 35	16.2	16.2	0	15.8	15.1	- 4.4
Green River, type 36	14.0	14.0	0	13.7	12.6	- 8.0
Va. sun-cured, type 37	2.6	2.8	7.7	2.2	2.4	+ 9.1
Total cigar filler, types 41-45	49.0	46.0	- 6.1	67.1	62.8	- 6.4
Pa. Seedleaf, type 41	35.4	34.7	- 2.0	52.0	50.3	- 3.3
Miami Valley, types 42-44	12.6	10.5	-16.7	14.2	11.6	-18.3
Ga. and Fla. sun-grown, type 45	1.0	.8	-20.0	.9	.9	0
Total cigar binder, types 51-55	40.5	37.4	- 7.7	61.6	58.4	- 5.2
Conn. Valley Broadleaf, type 51	8.3	7.7	- 7.2	13.3	12.7	- 4.5
Conn. Valley Havana Seed, type 52	7.9	7.5	- 5.1	13.8	13.2	- 4.3
N.Y. and Pa. Havana Seed, type 53	1.5	1.3	-13.3	2.2	1.8	-18.2
Southern Wisconsin, type 54	11.0	10.0	- 9.1	15.4	14.7	- 4.5
Northern Wisconsin, type 55	11.8	10.9	- 7.6	16.9	16.0	- 5.3
Total cigar wrapper, types 61-62	10.8	9.8	- 9.3	10.1	9.8	- 3.0
Conn. Valley Shade-grown, type 61	6.8	6.2	- 8.8	6.4	6.0	- 6.2
Ga. and Fla. Shade-grown, type 62	4.0	3.6	-10.0	3.7	3.8	+ 2.7
Total, all types	1,310.9	1,398.3	+ 6.7	1,261.4	1,369.7	+ 8.6

1/ Preliminary.
2/ Acreage for harvest, indicated July 1; production indicated September 1.
3/ Based on actual, not rounded, figures.

Tobacco: Average yield per acre, by types, in the United States, 1920-42

Year	Flue-cured, types 11-14	Burley, type 31	Maryland type 32	Fire-cured Type 21	Fire-cured Type 22	Fire-cured Type 23	Fire-cured Type 24	Dark air-cured Type 35	Dark air-cured Type 36	Dark air-cured Type 37	Cigar leaf types 41-65
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Av. 1920-24	639	824	783	731	781	805	855	826	856	726	1,175
1920	678	789	875	780	766	780	820	819	796	755	1,250
1921	587	754	715	611	795	828	855	843	881	579	1,277
1922	630	857	770	811	763	810	893	859	893	770	1,118
1923	722	872	792	795	785	810	880	827	830	775	1,182
1924	580	849	765	660	798	795	825	782	830	750	1,048
Av. 1925-29	698	798	778	761	784	780	783	808	778	784	1,192
1925	689	806	823	751	767	776	775	806	850	795	1,270
1926	699	832	840	793	810	799	896	905	851	802	1,173
1927	750	731	818	800	749	748	646	722	649	821	1,152
1928	660	816	660	703	753	739	750	760	700	692	1,182
1929	691	807	750	760	842	840	850	849	840	810	1,182
Av. 1930-34	731	782	677	720	812	759	787	811	824	660	1,189
1930	756	740	560	615	757	700	745	784	785	585	1,170
1931	684	845	730	765	812	804	800	796	880	650	1,228
1932	605	740	775	640	794	779	775	801	825	545	1,139
1933	797	753	600	760	801	657	740	783	740	720	1,120
1934	814	831	720	820	895	856	875	893	890	800	1,289
Av. 1935-39	874	838	769	810	806	796	829	834	838	844	1,276
1935	928	792	775	870	821	795	840	835	845	900	1,295
1936	790	727	820	770	805	761	730	730	700	780	1,337
1937	875	907	650	790	846	817	850	908	900	785	1,223
1938	861	833	780	710	709	784	875	785	870	780	1,177
1939	916	930	820	910	851	824	850	911	875	975	1,347
1940	1,025	1,042	850	835	925	884	850	927	875	925	1,380
1941 1/	905	986	750	860	973	954	900	974	975	850	1,384
1942 2/	958	959	775	880	939	908	875	930	900	860	1,406

Compiled, 1920-34, from First Annual Report on Tobacco Statistics, Statistical Bulletin No. 58; 1935-38, Annual Report on Tobacco Statistics, 1940; 1939-41, General Crop Report of the Agricultural Marketing Administration, April 1942, and September 1942.

1/ Preliminary.

2/ Indicated Sept. 1.

Stocks of foreign-grown cigar, cigarette and smoking tobacco, by types as reported combining unstemmed and stemmed, owned by dealers and manufacturers in the United States, quarterly, 1938-42

Year and type	Jan. 1	Apr. 1	July 1	Oct. 1
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Total foreign-grown cigar leaf, type 80:				
1938	9,740	9,947	10,235	10,509
1939	10,418	10,571	11,350	12,577
1940	14,637	16,252	17,194	15,942
1941	15,876	17,241	19,850	19,225
1942	19,311	18,911	19,547	
Cuba (Havana), type 81:				
1938	6,248	6,266	6,647	6,772
1939	5,987	6,289	6,418	6,633
1940	6,795	6,810	6,942	7,156
1941	7,139	8,140	9,215	9,800
1942	9,539	10,107	11,894	
Sumatra and Java, type 82:				
1938	1,671	1,404	1,672	2,077
1939	2,247	1,879	2,494	3,021
1940	2,170	1,720	3,016	2,659
1941	2,435	3,362	5,313	5,036
1942 1/	5,913	6,212	5,954	
Philippine Islands (Manila), type 83:				
1938	1,807	2,253	1,898	1,646
1939	2,181	2,245	2,260	2,913
1940	5,969	7,654	7,164	6,054
1941	6,197	5,712	5,199	4,236
1942	3,262	2,356	1,465	
Other foreign-grown cigar leaf, type 84:				
1938	14	14	18	14
1939	3	158	158	10
1940	3	68	72	73
1941	105	27	123	153
1942	597	236	234	
Total foreign-grown cigarette and smoking tobacco, type 90:				
1938	70,366	92,396	82,603	70,228
1939	86,239	108,123	101,530	92,655
1940	116,574	118,528	112,420	106,257
1941	101,733	98,583	108,802	99,487
1942	90,621	80,858	78,435	

Compiled from quarterly stocks reports of the Agricultural Marketing Administration.
1/ Does not include stocks owned by Netherlands Indies Produce Corporation held in the free trade zone and in transit.

Tobacco products: Manufactures in the United States, 1900-41

(Data for neg. 32741)

Calendar year	Cigars: Large	Cigars: Small	Cigarettes: Large	Cigarettes: Small	Chewing: Plug	Chewing: Twist 1/	Chewing: Fine-cut	Chewing: Scrap 2/	Smoking	Snuff	Total chewing, smoking and snuff
	Bil.	Bil.	Mil.	Bil.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1900	5.6	.6	4.6	3.3	173.9	---	11.5	---	101.5	13.8	300.7
1901	6.1	.8	5.2	2.7	172.5	---	11.7	---	112.2	17.5	313.9
1902	6.2	.7	10.1	3.0	185.7	---	12.1	---	131.1	18.7	347.6
1903	6.8	.6	6.4	3.4	180.2	2.3	11.9	---	134.4	22.7	351.5
1904	6.6	.7	7.1	3.4	163.4	8.8	12.1	---	149.2	20.2	353.7
1905	6.7	.8	6.9	3.7	156.8	10.1	11.7	---	165.2	23.7	367.5
1906	7.1	1.0	10.7	4.5	165.1	11.7	12.7	---	175.7	26.1	391.3
1907	7.3	1.1	15.0	5.3	159.7	12.2	12.5	---	179.2	24.2	387.8
1908	6.5	1.1	17.7	5.7	164.7	14.5	12.1	---	192.2	24.0	407.5
1909	6.7	1.0	17.8	6.8	173.4	14.6	12.5	---	202.4	28.5	431.4
1910	6.8	1.1	19.4	8.6	174.3	14.6	12.9	---	214.1	31.4	447.3
1911	7.0	1.2	17.1	10.5	160.9	13.9	11.0	---	209.4	28.9	424.1
1912	7.0	1.1	16.6	13.2	160.2	15.5	11.0	---	217.3	31.4	435.5
1913	7.6	1.0	15.1	15.6	164.4	14.9	10.9	---	220.8	32.9	443.9
1914	7.2	1.1	13.9	16.9	156.5	16.0	10.9	---	226.9	30.6	440.9
1915	6.6	1.0	15.8	18.0	150.7	14.8	10.1	---	234.9	31.9	442.4
1916	7.0	.9	22.2	25.3	165.6	16.0	10.9	---	239.7	34.0	466.2
1917	7.6	1.0	24.6	35.3	179.4	15.2	11.3	---	243.6	33.5	483.0
1918	7.1	.8	23.4	46.7	174.7	17.5	9.8	---	257.9	37.2	497.1
1919	7.1	.7	31.9	53.1	141.0	11.3	8.2	---	228.6	35.0	424.1
1920	8.1	.6	28.0	47.4	138.5	11.8	8.7	---	219.3	34.3	412.6
1921	6.7	.7	14.5	52.1	113.4	9.3	6.9	---	222.7	34.7	387.0
1922	6.7	.6	17.4	55.8	120.2	10.9	6.9	---	243.4	38.1	419.5
1923	7.0	.5	18.1	66.7	120.8	10.7	7.1	---	235.0	39.2	412.8
1924	6.6	.5	16.1	72.7	111.5	9.9	6.8	---	247.0	39.0	414.2
1925	6.5	.4	17.4	82.2	111.4	9.8	7.2	---	247.7	37.8	413.9
1926	6.5	.4	13.2	92.1	109.8	9.2	7.0	---	246.4	38.2	410.6
1927	6.5	.4	11.4	99.8	103.9	8.0	6.3	---	237.9	40.2	396.3
1928	6.4	.4	10.4	108.7	100.6	8.9	5.2	---	231.1	40.5	386.3
1929	6.5	.4	10.0	122.4	96.7	8.2	5.6	---	229.6	41.1	381.2
1930	5.9	.4	7.4	123.8	86.3	7.6	5.1	---	232.0	40.8	371.8
1931	5.3	.3	5.2	117.1	76.7	6.4	4.2	61.2	182.9	39.8	371.2
1932	4.4	.3	3.4	106.6	61.9	4.9	3.3	50.1	191.1	36.0	347.3
1933	4.3	.2	2.8	114.9	61.4	5.0	3.1	44.7	191.8	36.1	342.1
1934	4.5	.2	88.2	130.0	62.7	5.1	3.0	44.8	193.1	36.9	345.6
1935	4.7	.2	2.5	140.0	60.6	5.6	4.7	44.0	191.7	36.1	342.7
1936	5.2	.2	2.5	158.9	59.2	6.4	5.1	45.3	194.0	38.0	348.0
1937	5.3	.2	3.1	170.0	58.3	6.8	5.0	45.6	187.8	37.1	340.6
1938	5.0	.2	2.6	171.7	54.5	5.6	4.6	42.8	200.7	37.2	345.4
1939	5.2	.2	4.4	180.7	51.3	5.7	4.7	41.3	202.3	38.0	343.3
1940	5.2	.1	2.2	189.4	48.7	5.6	4.2	42.9	205.1	37.9	344.4
1941 3/	5.7	.1	2.0	216.0	50.2	5.6	5.1	44.2	197.6	40.5	343.2

Compiled from annual reports of the Commissioner of Internal Revenue, Treasury Department.

1/ Prior to 1903, included in plug tobacco. 2/ Prior to 1931, included in smoking tobacco. 3/ Estimated.

Cigar tobacco: Production, stocks, supply, and price, United States, 1920-42

(Data for neg. 26055)

Year beginning October	Production	Stocks Oct. 1 (farm-sales weight) 1/	Supply	Season average farm price per pound
	Million pounds	Million pounds	Million pounds	Cents
1920	223.6	360.9	584.5	22.2
1921	212.9	369.2	582.1	17.6
1922	172.6	415.7	588.3	21.5
1923	192.2	430.5	622.7	24.6
1924	180.1	448.0	628.1	19.2
1925	194.4	425.8	620.2	15.8
1926	146.5	420.3	566.8	19.1
1927	139.0	356.2	495.2	21.8
1928	162.9	322.9	485.8	20.7
1929	170.9	322.2	493.1	20.1
1930	181.0	313.7	494.7	15.9
1931	187.9	358.0	545.9	10.2
1932	150.1	427.4	577.5	7.8
1933	78.4	413.7	492.1	11.0
1934	73.2	392.3	465.5	16.8
1935	87.9	362.0	449.9	17.0
1936	97.9	325.4	423.3	19.4
1937	105.1	302.1	407.2	18.1
1938	107.7	296.6	404.3	15.4
1939	135.7	269.4	405.1	18.7
1940	144.0	298.7	442.7	17.4
1941	133.8	305.4	444.2	19.2
1942 2/	131.1	312.1	443.2	

Compiled from data of the Agricultural Marketing Administration. Stocks prior to 1929 compiled from reports of the Bureau of the Census, Department of Commerce.

1/ Stocks of continental types held by dealers and manufacturers. Complete data on farm stocks which are significant in some years and for some cigar types are not available. Stocks for types 45 and 62 are as of July 1.

2/ September 1 estimates.

Tobacco purchases, loans, and collateral outstanding, of the Commodity Credit Corporation, as of August 31, 1942
(Farm-sales weight 1/)

Crop	Acquisitions				Collateral released			Total collateral outstanding	
	Purchases	Loans	Total purchases and loans	Cost 2/	Purchases	Loans	Total	Quantity	Costs 2/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars
Crop of 1939-									
Flue-cured	3/ 173,965	---	173,965	37,301	172,502	---	172,502	1,463	253
Dark types	4/ 3,729	5,461	9,190	1,027	3,380	160	3,540	5,650	481
Cigar leaf	---	708	708	35	---	708	708	0	---
Crop of 1940-									
Flue-cured	168,851	36,105	204,956	43,631	85,441	23,234	108,675	96,281	864
Dark types	644	45,113	45,757	4,893	285	29,981	30,266	15,491	1,907
Burley	---	5/26,235	26,235	4,278		26,235	26,235	0	---
Crop of 1941-									
Flue-cured	119,543	---	119,543	33,055	6,199	---	6,199	113,344	31,324
Dark types	19,758	8,893	28,651	4,941	136	43	179	28,472	4,914
Burley	---	5,972	5,972	1,009	---	327	327	5,645	973
Cigar leaf	200	---	200	25	82	---	82	118	13
Crop of 1942-									
Flue-cured	14,704		14,704	8,459	---		---	14,704	8,459
Total 1939-42									
Flue-cured	477,063	36,105	513,168	122,446	264,142	23,234	287,376	225,792	40,900
Dark types	24,131	59,467	83,598	10,861	3,801	30,184	33,985	49,613	7,302
Burley	---	32,207	32,207	5,287	---	26,562	26,562	5,645	973
Cigar leaf	200	708	908	60	82	708	790	118	13

Compiled from official records of the Commodity Credit Corporation.

1/ In instances where weights were reported as net-packed weight (storage order) conversions have been made to farm-sales weight by multiplying by factors for converting unstemmed stocks to farm-sales weight, reported in Circular No. 435, p.8. 2/ Includes auction floor costs, and other charges such as redrying, prizing, and storage. 3/ Including 40,286 pounds of the 1939 crop purchased and released under the 1941 program; cost $5,366.47. 4/ Including 348,468 pounds of the 1939 crop purchased from dealers under the 1941 program; cost $83,476.92. 5/ Actual farm-sales weight reported in Season Market News Report, March 20, 1941, released by the AMA.

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